

Research Article

**A Comparative Study On Customer's Satisfaction On Indian And Foreign Cars - A Study In Chennai And Dharmapuri Districts**

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**Abstract**

The objective of the study is to check the demographic background customers seeking to purchase Indian cars and foreign cars and to investigate the customer satisfaction towards Indian and foreign cars. The study was conducted to compare customer satisfaction and awareness of Indian and foreign cars in the Chennai and Dharmapuri areas. The positive impact of customer satisfaction makes customers remain loyal to the company. The study sample consists of 75 clients in the Chennai and Dharmapuri districts. A well-designed questionnaire was used for the study. Simple percentage analysis and factor analysis were used to analyze the data. It can be concluded that buyers are sufficiently aware of both Indian cars and foreign cars and are satisfied with both cars.

**Key words:** Customers, Automobile Industry, Customer Satisfaction, Indian Cars, Foreign Cars.

**1. Introduction**

Due to rising purchasing power, the Indian auto sector is expanding, particularly in the passenger car market. There is also increasing demand for high-end cars, which had a small share of the Indian market until recently, but now have a larger share as the current trend continues in many other nations. There are numerous prospects for automotive firms to enter the Indian car industry. As a result of the increased rivalry, Indian passenger vehicle firms are planning to improve the quality of their products and services from the existing level, as well as expand exports and aim to manufacture more innovative products. In the near future, India has a decent possibility of becoming an important automotive market for automakers, benefiting them both in terms of local demand and finding a good export base. An overview of the automotive segment of the Indian auto industry in recent times points to a number of exciting and interesting changes that have greatly impacted the global automotive sector. From a country that used to import cars, India has evolved into a country with many competitive world-class car manufacturers, high-tech craftsmanship, an auto exporter, and an auto component outsourcing center for major global auto companies. India has a huge market for quality and stylish cars of new brands and models. With frequent launches of new models and an established market, it is necessary to have a positive review of Indian cars.

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Two-wheelers, trucks, cars, buses, and three-wheelers are all part of the Indian auto sector, which is vital to the country's economic prosperity. After Japan, South Korea, and Thailand, India has surpassed Japan as Asia's fourth largest vehicle exporter. Over the next thirty years, the country is predicted to become the world leader in car sales, with approximately 611 million vehicles on the country's roads. The amount of goods and services created that enable transportation and enhance car sales demonstrates the industry's economic success. Huge increase in demand for a variety of raw materials such as steel, rubber, plastics, glass, paint, electronics, and services as a result of increased catalytic vehicle production.

## **2. Statement of the Problem**

The automotive industry is one amongst the fastest growing industries within the world. Over two million new cars roll out on the roads of India each year and therefore the industry will still grow. Driving from small to luxurious for all has been made possible by fierce competition within the Indian auto industry, with overseas players gaining the identical momentum as local players. Daily later, the market hears about new launches, some inexpensive cars - set up so that the common person isn't left behind. Customer happiness is considered as a crucial differentiator in a competitive environment where businesses compete for customers, and it is increasingly becoming a key element of corporate strategy. Customers' needs must be met, which necessitates a certain amount of effort. Organizations are becoming increasingly interested in retaining existing consumers by marketing to them even if they are not customers.

Customer satisfaction is a metric that shows how successful a company is at bringing products and/or services to market. Because customer satisfaction is a nebulous and abstract term, the specific manifestations of a state of satisfaction will differ from person to person and machine to machine. The level of satisfaction is determined by a variety of psychological and physical factors that are linked to satisfaction-related behaviour, such as profitability and recommendation rate. Customer satisfaction levels can also differ depending on alternative options and items with which the customer can compare the organization's products. Because satisfaction is largely a psychological experience, caution should be exercised while quantifying it, despite the current influx of studies. Quality, value, punctuality, and efficiency are some of the areas where customers are satisfied. These variables are frequently utilised to build architecture to suit customer needs and are stressed for continual improvement and measurement of organisational change.

## **3. Review of Literature**

Customers are pleased with the level of safety, dealer service, and customer service (Rao and Kumar, 2012). Marketers will be able to win in the marketplace if they have a clear grasp of client happiness. In the automotive market, a scenario of sales stagnation and future demand development is shown (Mahapatra et al., 2010). Marketing relies on a customer's perception of a brand. Customers favoured global auto brands due to factors such as their global presence, worldwide reputation, and foreign production quality (Shende, 2014). Consumers choose a country where attributes such as greater quality, technological advancement, modernism, and so on are associated with the place where the brand originated (Samin et al., 2012). Consumers who buy a local brand are more likely to link it with India's robust automotive sector, which produces high-quality, technologically advanced vehicles (Vidyavathi, 2012). The findings show that brand equity, brand preference, and buy intent all have a positive association, with a minor cost-switching effect affecting the relationship between brand equity and purchase intent (Balakrishnan & Jagathy Raj, 2012). For travellers with low switching costs, the impact of brand equity on purchase intent is small (Mathur et al., 2018).

## **4. Objectives of the Study**

The objective of the study are to check the demographic background customers seeking to purchase Indian cars and foreign cars and to investigate the customer satisfaction towards Indian and foreign cars.

### 5. Research Methodology

The targeted sample was the customers seeking to purchase cars in Chennai and Dharmapuri districts of Tamilnadu. A total of 90 questionnaires were distributed 15 questionnaire found incomplete and unusable for the study. After editing all returned questionnaires, a total of 75 questionnaires were usable for analysis. Customers' availability in the vehicle dealer's location and their willingness to fill out the questionnaire in front of them are two underlying criteria examined in the sample selection process. Therefore, simple random sampling was used and the study was constructed by using descriptive research design. The research was performed over fifteen car dealers in the sample area. The survey questionnaire had two sections; first section mainly sought the information about demographic background such as gender, age, annual income, education, and occupation of customers. Second section includes various customer satisfaction attributes in the in the purchase of cars. A five point Likert scale ranging from 5 to 1, 5 is for 'Highly Satisfaction', 4 is for 'Satisfaction', 3 is for 'Neutral', 2 is for 'Dissatisfaction' and 1 is for 'Highly Dissatisfaction' was used to collect satisfaction attributes. The questionnaire was presented in English, the researcher explained and helped to get answer from the uneducated and less-educated respondents to fill questionnaire. The survey questionnaire was pretested with more than twenty customers. The data has been collected from the customers are analyzed with three techniques. The demographic background of customers was analyzed with simple percentage analysis. Customer satisfaction on Indian and foreign cars are analyzed with factor analysis.

### 6. Results and Discussions

#### 6.1. Analysis of Demographic Background

The respondent's demographic background is inspected with the following attributes like gender, age, annual income, education, and occupation and its frequencies presented in table 1.

**Table – 1: Analysis of Demographic Background**

Demographic Background	Particulars	Type of Car		Total
		Indian Car	Foreign Car	
Gender	Male	29	23	52
		63.0%	79.3%	69.3%
	Female	17	6	23
		37.0%	20.7%	30.7%
Age	26-35 years	15	12	27
		32.6%	41.4%	36.0%
	36-45 years	18	9	27
		39.1%	31.0%	36.0%
	46-55 years	8	7	15
		17.4%	24.1%	20.0%
	Above 55 years	5	1	6
		10.9%	3.4%	8.0%

Educational Qualifications	Up to HSC	5	1	6
		10.9%	3.4%	8.0%
	UG level	4	8	12
		8.7%	27.6%	16.0%
	PG level	15	13	28
		32.6%	44.8%	37.3%
Research level	22	7	29	
	47.8%	24.1%	38.7%	
Occupational Status	Govt. Employee	18	8	26
		39.1%	27.6%	34.7%
	Private Employee	18	14	32
		39.1%	48.3%	42.7%
	Businessman	10	7	17
		21.7%	24.1%	22.7%
Annual Income	Below Rs. 20,000	10	8	18
		21.7%	27.6%	24.0%
	Rs. 20,001 to Rs. 40,000	15	10	25
		32.6%	34.5%	33.3%
	Rs. 40,001 to Rs. 60,000	7	4	11
		15.2%	13.8%	14.7%
Rs. 60,001 to Rs. 80,000	9	3	12	
	19.6%	10.3%	16.0%	
Above Rs. 80,000	5	4	9	
	10.9%	13.8%	12.0%	
Total		46	29	75
		100.0%	100.0%	100.0%

Source: Primary Data

Table-1 presents that 69.3% are male and 30.7% are female customers. Age reveals that 36.0% are in 26-35 years, 36.0% are in 36-45 years, 20.0% are in 46-55 years, and 8.0% are in above 55 years. Educational qualification shows that 8.0% are completed up to HSC education, 16.0% are completed UG level education, 37.3% are completed PG level education and 38.7% are completed research level education. Occupational status discloses that 34.7% are employed in government sector, 42.7% are employed in private sector and 22.7% are engaged in business. Annual income furnishes that 24.0% are in below Rs.20,000, 33.3% are in Rs.20,001 to 40,000, 14.7% are in Rs.40,001 to 60,000 and 12.0% are in above Rs.80,000. It can be confirmed that majority are purchasing Indian cars.

## 6.2. Customer Satisfaction

Customer satisfaction towards purchase of Indian cars and foreign cars are analyzed and its results are presented below.

Table – 2: Customer Satisfaction

Level of Satisfaction	Type of Car		Total
	Indian Car	Foreign Car	

A Comparative Study On Customer's Satisfaction On Indian And Foreign Cars - A Study In Chennai And Dharmapuri Districts

Low	29	19	48
	63.0%	65.5%	64.0%
High	17	10	27
	37.0%	34.5%	36.0%
Total	46	29	75
	100.0%	100.0%	100.0%

**Source: Primary Data**

Table-2 reveals that 64.0% are having low satisfaction on car and 36.0% are having high satisfaction on car. Of which, 63.0% have low satisfaction on Indian car and 65.5% have low satisfaction on foreign car. Further, 37.0% have high satisfaction on Indian car and 34.5% have high satisfaction on foreign car. Therefore, it can be ascertained that customers are highly satisfied on Indian cars.

**Factor Analysis**

The customer satisfaction levels towards Indian and foreign car have been studied by selecting 15 factors through factor analysis and its results are presented below.

**Table – 3: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.853
Bartlett's Test of Sphericity	Approx. Chi-Square	1313.409
	df	105
	Sig.	.000

**Source: Primary Data**

Table-3 confirms the Bartlett's test and Keiser-Meyer–Olkin measure of sampling adequacy were used to test the appropriateness of factor model. The KMO sample adequacy value in this test was 0.853, which is greater than the standard limit of 0.5. The Bartlett test is used to verify the null hypothesis, i.e. that the variables are unrelated. The test rejects the null hypothesis since the relevant chi-square value in the respondent satisfaction levels towards their current employment is 1313.409, which is significant at the 1% level. Because KMO statistics have a high value, factor analysis is being considered as a tool for studying the correlation matrix. The initial and extraction values are shown in the communality table-9.

**Table – 4: Communalities**

Variables	Initial	Extraction
Safety	1.000	.882
After sale service	1.000	.872
Brand popularity	1.000	.753
Resale value	1.000	.860
Advance technology usage	1.000	.784
Interior design	1.000	.745
Exterior design	1.000	.872
Cost of service	1.000	.840
Colour	1.000	.797
Loan availability	1.000	.704

Availability of spare parts	1.000	.726
Comfort	1.000	.702
Luxury	1.000	.680
Dealer service	1.000	.516
Employee relationship	1.000	.797
Extraction Method: Principal Component Analysis.		

**Source: Primary Data**

**Extraction Method: Principal Component Analysis.**

The communality values are shown in Table-4. The proportion of variance in any one of the original variables that is reflected by the extracted factors is referred to as communality. The total variance explained in table-5 outlines the history of the derived components.

**Table – 5: Total Variance Explained**

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.542	56.947	56.947	8.542	56.947	56.947	8.066	53.774	53.774
2	2.990	19.930	76.877	2.990	19.930	76.877	3.465	23.103	76.877
3	.778	5.184	82.061						
4	.641	4.273	86.334						
5	.455	3.035	89.369						
6	.338	2.255	91.624						
7	.275	1.833	93.457						
8	.237	1.578	95.034						
9	.208	1.388	96.422						
10	.163	1.087	97.509						
11	.129	.862	98.371						
12	.111	.740	99.111						
13	.062	.414	99.525						
14	.048	.321	99.846						
15	.023	.154	100.000						

**Source: Primary Data**

**Extraction Method: Principal Component Analysis.**

Table 5 shows the Eigen values in the column labelled "Initial Eigen values." The "Total Variance" given to a factor is represented by its Eigen value. The first component accounted for a variation of 8.542, or 56.947 percent, and the second factor accounted for a variance of 2.990, or 19.930 percent, according to the extraction sum of squared loadings.

**Table – 6: Rotated Component Matrix**

Variables	Component	
	1	2
Safety	<b>.938</b>	.039
After sale service	<b>.926</b>	.119

A Comparative Study On Customer's Satisfaction On Indian And Foreign Cars - A Study In Chennai And Dharmapuri Districts

Brand popularity	<b>.850</b>	.178
Resale value	<b>.914</b>	.159
Advance technology usage	<b>.869</b>	.171
Interior design	<b>.862</b>	.055
Exterior design	<b>.921</b>	.154
Cost of service	<b>.914</b>	.065
Colour	<b>.878</b>	.162
Loan availability	<b>.828</b>	.136
Availability of spare parts	.072	<b>.849</b>
Comfort	.292	<b>.786</b>
Luxury	-.001	<b>.824</b>
Dealer service	.205	<b>.689</b>
Employee relationship	.033	<b>.892</b>

**Source: Primary Data**

**Extraction Method: Principal Component Analysis.**

**Rotation Method: Varimax with Kaiser Normalization.**

**a. Rotation converged in 3 iterations.**

Table-6 discloses that the variables such as safety, after sale service, brand popularity, resale value, advance technology usage, interior design, exterior design, cost of service, colour and loan availability were grouped together as first factor and accounted for 56.947% of the total variance and have been named as car performance. The second component, which included variables like spare part availability, comfort, luxury, dealer service, and employee relationship, accounted for 19.930 percent of the total variance. As a result of the factor analysis, the 15 variables were reduced and simplified, and they were grouped into two factors that explained 76.877 percent of the variability of all the variables.

### **7. Conclusion**

Customer satisfaction is the ultimate goal of any corporation and plays a crucial part in its improvement. Because of the recent appearance of numerous new automobile brands and shifting consumer views around car purchases, the automotive sector in general and the automotive industry in particular have been chosen. When it comes to picking a brand, customer satisfaction is crucial. It can be confirmed that customers are very satisfied with safety, after-sales service, brand popularity, resale value, advanced technology, interior design, exterior design, maintenance cost, color and availability of credit. Moreover, aspects such as parts availability, comfort, luxury, dealer service and employee relations bring customer satisfaction when planning to purchase both Indian cars and foreign cars. It can be concluded that consumers are quite satisfied with both Indian cars and foreign cars.

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